



THE CARBON COUNCIL OF NEW YORK STATE?

FOSSIL FUEL INTERESTS VS. CLIMATE LEGISLATION IN NEW YORK



public
accountability
initiative

The Business Council of New York State, a corporate lobbying group backed by fossil fuel interests, has taken a forceful position against climate change legislation in New York State. The group has brought its considerable resources to bear to prevent the passage of the [Climate and Community Protection Act](#) (CCPA). CCPA, introduced late in the 2016 legislative session, seeks to transition New York to 100% renewable energy by 2050 by making Governor Cuomo’s climate and clean energy goals legally enforceable, while using state funds to support low-income and climate-vulnerable communities and guaranteeing publicly-financed energy jobs pay a prevailing wage.

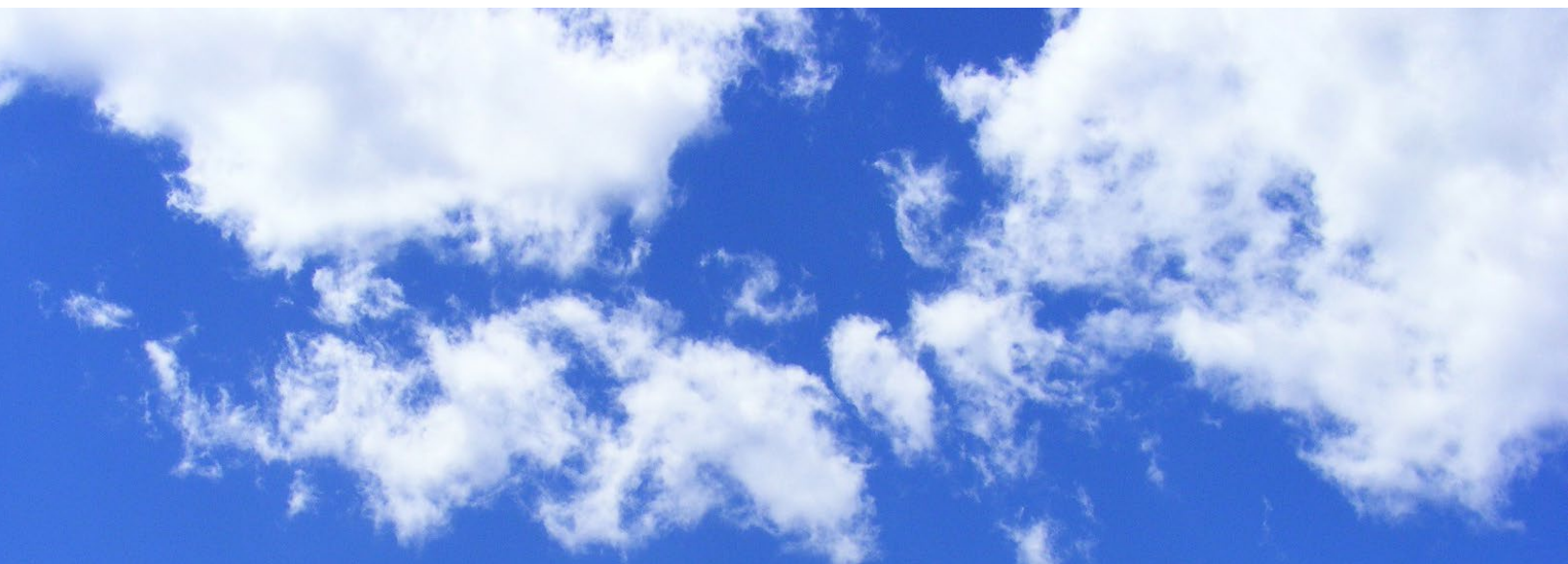
The Business Council’s opposition comes in spite of the fact that New Yorkers overwhelmingly believe that climate change is a serious problem and want their energy to come from renewable sources. According to a [March 2016 poll](#), 73% of New Yorkers thought climate change was a serious problem and 58% said that, if it were up to them, 71-100% of the state’s electricity would come from renewable sources like wind and solar.

In contrast to the public’s views, the Business Council supports reducing the “carbon intensity” of the state’s emissions, as documented in its memorandum opposing the CCPA, rather than reducing climate emissions as a whole. Reducing “carbon intensity” is a stance often invoked by fossil fuel interests that deflects concern from the total output of carbon dioxide, methane, and

other greenhouse gas pollution which drives climate change. Basing policy on carbon intensity would allow ever-increasing climate pollution by Business Council members.

The Business Council’s position is notable in consideration of its membership, which includes a number of fossil fuel companies, including those behind several controversial pipeline projects in the state.

This report provides a preliminary examination of the Business Council’s ties to the fossil fuel industry, and how those interests may have influenced the group’s decision to place what has been called [“the nation’s most ambitious climate bill”](#) in its crosshairs.



KEY FINDINGS

- The Business Council of NYS is backed by 15 fossil fuel companies and 4 fossil fuel industry trade groups – including the American Petroleum Institute, the largest oil and gas lobby in the country.
- Two of the Business Council’s board members are executives at fossil fuel companies.
- The Business Council’s chief energy and environmental lobbyist is a former State Senate staffer who passed through the revolving door to lobby for fossil fuel interests.
- Business Council members Spectra, Kinder Morgan, National Fuel, and Con Edison are all involved in controversial natural gas pipeline projects in New York State.

THE BUSINESS COUNCIL

The Business Council of New York State is a corporate lobbying group that represents some of the most powerful interests in New York State, including banks, real estate developers, and the healthcare industry. Another core Business Council constituency is the state’s fossil fuel industry.

The Business Council is known for its well-financed influence operation. Since 1997, the group has donated more than \$1.4 million to individual campaigns and political party committees through its political action committee.

The group often weighs in on debates over environmental and health protections. For example, the Council was heavily involved in the fracking debate in New York State in the early 2010’s. Permitting gas extraction from the Marcellus Shale was a consistent [legislative priority](#) for the group.

In July 2011, the Business Council’s policy arm released a report touting [grossly inflated](#) estimates of the economic impact fracking would have on New York State. That same year, the Business Council was a [key organizer](#) of the Committee to Save New York, a short-lived group that spent millions of anonymously-sourced money during the first years of the Cuomo administration, when the fracking issue was most contentious. In 2014, Common Cause put the Business Council at the top of [its list of pro-fracking business groups](#) based on lobbying and campaign contributions.

This year, the group has come out in strident opposition to CCPA.

In the short time that the bill was before the legislature, the Business Council issued [a legislative memo](#) decrying the proposed law and published [letters to the editors](#) of New York newspapers in opposition.

In its memorandum in opposition to the Climate and Community Protection Act, [characterized by the editorial board of the Albany Times-Union](#) as “an absurd rant,” Business Council President & CEO Heather Briccetti lambasted CCPA, claiming that “it would result in the end of manufacturing, farming, busses, trucks, cars, and finally people.”

FOSSIL FUEL TIES

The Business Council's chief lobbyist on energy and environmental issues, Darren Suarez, lobbied directly for the oil and gas industry immediately prior to joining the Business Council. Before that, he spent years as a state senate staffer.

From 2000 through 2008 Suarez was the director of environmental and economic development for the state senate. After his time in government, he passed through the revolving door to the lobbying firm Hinman Straub where, according to his BCNYS profile, "he lobbied for a number of Fortune 500 companies on energy and environmental issues." At Hinman Straub Suarez's clients included the Independent Oil and Gas Association of New York, Con Edison, TransCanada, and XTO Energy.

As mentioned above, fossil fuel interests form a core part of the Business Council's membership. Among the Business Council's backers are a variety of companies engaged in oil and gas drilling, pipeline construction, fossil power generation, and electric and gas utilities.

Fifteen fossil fuel companies and four industry trade groups are listed on the Business Council's website as members of the group.

Some of those members include:

- The **American Petroleum Institute**, the largest oil and gas lobbying group in the country.
- The **Northeast Gas Association**, a trade group representing pipeline companies, gas utilities, and liquefied natural gas (LNG) terminals.
- The **Energy Coalition of New York**, a trade group of seven gas and electric utilities, six of which are also Business Council members individually. **Independent Power Producers of New York**, a group of electric power producers whose board includes representatives from Dominion, NRG, and TransCanada.
- **XTO Energy**, an oil and gas fracking subsidiary of ExxonMobil.
- **Spectra Transmission**, currently engaged in a battle with activists over the contentious Algonquin pipeline.
- **Kinder Morgan**, another large pipeline firm, which abandoned its Northeast Direct pipeline project this year in the face of public opposition.
- **Con Edison**, one of the largest energy companies in the United States and a backer of Spectra Energy's Algonquin Pipeline.

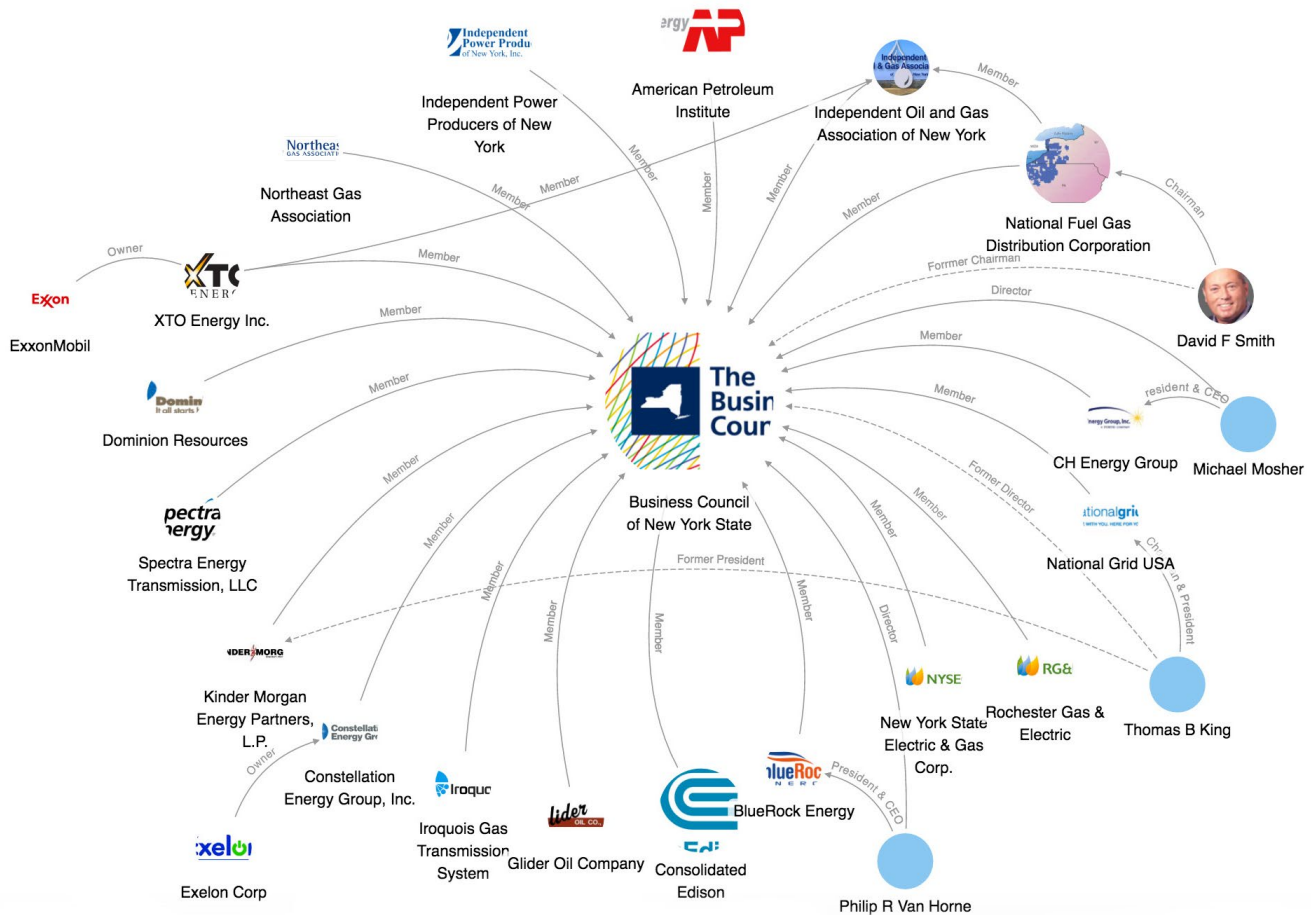
FOSSIL FUEL
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These entities either represent interests that benefit financially from New York State's continued reliance on fossil fuels or themselves directly profit from such continued reliance, and thus have a financial stake in stymying legislation such as the CCPA that would rapidly reduce greenhouse gas emissions, and therefore the use of fossil fuels.

Notable in consideration of the Business Council's pro-fracking advocacy, two energy companies that joined the group in the midst of New York's fracking debate in 2009 and 2010 – Oklahoma City-based Chesapeake Energy and Calgary-based Talisman Energy – have left the group since Governor Cuomo formally banned the practice in 2014.

Fossil fuel companies do not just pay dues to the Business Council, however. For years, representatives of the industry have held leadership roles within the organization. Currently the Business Council has two energy executives on its board of directors, CH Energy President & CEO Michael Mosher and BlueRock Energy President & CEO Philip Van Horne. Previous board members have included Con Edison chairman Kevin Burke and National Grid USA President Thomas B King. National Fuel chairman David F Smith is the former chairman of the Business Council.

The Business Council's myriad fossil fuel ties can be seen in the map embedded below, and at [this link](#). Click through the slides for more information about the companies and trade groups that have memberships and board seats in the organization.



CONNECTIONS TO CONTROVERSIAL PIPELINE PROJECTS

Several of the fossil fuel backers of the Business Council are behind controversial natural gas pipeline projects planned for New York State. These expensive projects will require continued and expanded reliance on natural gas in order to turn a profit, and the Business Council has had the backs of their sponsors, both in opposing CCPA and in vocally denouncing delays and safety concerns related to the pipelines.

ALGONQUIN INCREMENTAL MARKET

Spectra Energy is a Business Council member and the company behind the Algonquin Incremental Market pipeline project. This controversial pipeline is planned to run within feet of the Indian Point nuclear power plant and has been the subject of much recent activism. Governor Cuomo has asked the federal government to require Spectra to halt construction the pipeline pending a study of the safety risks associated with its proximity to the nuclear plant. Spectra has engaged in its own lobbying blitz recently, which PAI has reported on in [March](#) of this year and [earlier this month](#).

Another Business Council member, Con Edison (which itself is lobbying on CCPA individually and through the Energy Coalition of New York), is also a backer of Spectra's Algonquin project. Con Edison inked a deal with Spectra in 2010 to buy gas transmitted through the pipeline.

NORTHEAST DIRECT

Kinder Morgan, the company behind the now-canceled Northeast Direct pipeline planned for eastern New York and Massachusetts, is a Business Council member. Northeast Direct was the subject of vocal opposition in both New York and Massachusetts before Kinder Morgan [shelved the project](#), ostensibly due to a lack of commitment to buy the gas.

PAI reported on Kinder Morgan ramping up its lobbying in the face of opposition to Northeast Direct [earlier this year](#).

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NORTHEAST ACCESS

National Fuel, a multi-sector energy company based in Western New York, is also lobbying against CCPA individually and through the Energy Coalition in addition to through its membership on the Business Council.

National Fuel is planning a pipeline, called Northeast Access, which would ship fracked gas from the Marcellus Shale in Pennsylvania north through New York and into Canada. In early October, National Fuel was targeted by activists protesting the pipeline and expressing solidarity with protests at the Dakota Access pipeline in the western United States.

DAKOTA ACCESS

Beyond the fossil fuel companies planning New York pipelines that make up the Business Council's membership, six banks financing the contentious Dakota Access pipeline through several western states are also members of the Business Council.

JPMorgan Chase, Citizens Bank, Bank of America, Morgan Stanley, HSBC, and Citibank, which have collectively provided \$1.7 billion in credit to [the companies behind Dakota Access](#) are all Business Council members.

Four of these six banks, JPMorgan Chase, Citizens Bank, Bank of America, and HSBC, are also represented on the Business Council's board of directors.

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CONCLUSION

Though the Climate and Community Protection Act passed the Assembly 96-43 and was co-sponsored by a bipartisan majority of senators, the bill was held in the Environmental Conservation Committee by its Chairman Senator Tom O'Mara. Also noteworthy, both Senate Majority Leader John Flanagan and Deputy Majority Leader John DeFrancisco have questioned whether climate change is happening. The Business Council has endorsed all three senators for reelection.

With their opposition to the bill and their endorsement of climate deniers, the Business Council has clearly drawn a line in the sand, voicing strident opposition to CCPA and supporting those who take up their cause. This report has begun to map the Council's various connections to oil and gas companies and fossil fuel trade groups.

It remains to be seen whether the State Legislature and the Governor will side with the fossil fuel interests or with the bill's community, environmental, and labor group backers in determining the fate of legislation that would enshrine the Governor's own climate goals into law.

About the Public Accountability Initiative

The Public Accountability Initiative (PAI) is a non-profit, non-partisan research and educational organization focused on corporate and government accountability. In addition to publishing research on critical public accountability issues, PAI maintains LittleSis.org, an involuntary facebook of powerful people and tool for power research that was used to compile data for this report. PAI's work is funded by a variety of non-profit sources.

